

To: Peter Schmidt
Roger Farmer
Larry Poule

From: Don Fitzgerald

Date: December 11, 1996

Subject: 1996 Doral Trade Direct Marketing Programs

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During 1996 the Doral brand will participate in K. Wadia's Trade Direct Marketing Programs in the following Doral priority regions: Pittsburgh, Cincinnati, and Buffalo.

The direct marketing programs for 1996 will consist of two types of programs: Roll Folds (with coupons) and postcards. Postcards are two sided cards that are used to announce special promotions. Roll Folds consist of three 2 sided panels: 1.) top panel for chains to put their logo and creative to promote other store specials or items such as gas, coupons on fountain drinks, new items, etc. 2.) RJR promotional 3.) Six store/retailer (not manufacturer's) coupons.

The Doral postcard and roll fold mailings will consist of competitive and franchise names that will be pulled from our corporate database. The brand has set aside \$90,000 per region for these programs which should be worked in accordance with the following guidelines:

- **Retailer qualification:** Retailer should be at least Level II merchandising plan and match participant in Retailer Accrual Program. A chain should only be allowed to participate one time during the year. Selected chains should have the majority of their stores in that region.
- **Funding for programs:** 50% printing & postage charges paid by chain (via check made payable to RJRT). Remaining 50% printing & postage charges paid by Doral heavy-up dollars. Roll fold coupon redemption paid for by Doral heavy-up dollars.
- **Outlet types:** 1.) C-store chains - postcards or roll folds. 2.) Mega outlets- postcards to announce workplan promotions in May, August, and December. March retailer identification dates have already passed. If a mega-outlet accounts elect to use this program it is imperative that enough discounted product is available to last 25 to 30 days. In large volume accounts it may be necessary to fund any cartons above the 500 carton workplan allocation out of consumer pricing dollars. During this promotional period all discounted product should be maintained on the mega-outlet floorbase display.

*BAC/RMD - Need
your thoughts ASAP
as I have to respond
by 12/31.*

Roger.

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Due dates are rapidly approaching for identification of participating retailers(see attached timetables). Please refer to the Trade Direct Marketing Program section of the 1996 Wholesaler and Retail Partners Program Manual for additional program details and the Information Sheet which should be submitted for all chains identified as prospective partners in this program. Please provide these to Sharon Peterson by December 31,1995 for the May mega-outlet postcard mailing. August mega-outlet due date is 3/18/1996 and December is 7/22/1996 for prospective partner identification.

Contact Jacquie McLaurin (x4382) for questions on program details or Sharon Peterson (x2858) for program funding. Thanks in advance for your help.

Don

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1996 TRADE DIRECT MARKETING PROGRAM

DORAL POSTCARD DEADLINES

	POSTCARD MAILING #1	POSTCARD MAILING #2	POSTCARD MAILING #3	POSTCARD MAILING #4	POSTCARD MAILING #5
Identify Chain; Contact TDMG*	12/31	1/22	3/18	5/20	7/22
Chain Presentation with TDMG	1/29	2/19	4/15	6/17	8/19
Chain Logo to TDMG	2/5	3/11	5/6	7/8	9/9
Color Proof to KAM for Chain Approval	2/28	4/1	5/27	7/29	9/30
Chain Proof Approval to TDMG	3/4	4/8	6/3	8/5	10/7
Field/Chain Program Communication	3/25	4/29	6/24	8/26	10/28
Mail Out Date; Samples Mailed to KAM/Chain	4/22	5/27	7/22	9/23	11/25
\$ Transferred	Upon completion of purchase order				
Results to TDMG	4 weeks after expiration date				

*TDMG=Trade Direct Marketing Group

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1996 TRADE DIRECT MARKETING PROGRAM

ROLL FOLD DEADLINES

	ROLL FOLD MAILING #3	ROLL FOLD MAILING #4	ROLL FOLD MAILING #5
Identify Chain; Contact TDMG*	1/22	3/25	5/27
Chain Presentation with TDMG	2/19	4/22	6/24
Chain's Top Panel Art to Coyne-Beathm Agency	3/18	5/20	7/22
Color Proof to KAM for Chain Approval	4/15	6/17	8/19
Chain Proof Approval to TDMG	4/22	6/24	8/26
Field/Chain Program Communication	5/20	7/22	9/23
Mail Out Date; Samples Mailed to KAM/Chain	6/17	8/19	10/21

*TDMG= Trade Direct Marketing Group

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PROJECTED COST FOR POSTCARD**(Sample)**

Brand: Doral
of Households: 37,963

A. Circulation Less Undeliverables (# Households Less 5%)	36,065	36,065.	36,065
B. Production/Postage Costs (# Households X \$.24)	\$9,111	\$9,111	\$9,111
C. Total RJR Program Cost	\$4,555.5	\$4,555.5	\$4,555.5
D. Total Retailer Program Cost	\$4,555.5	\$4,555.5	\$4,555.5

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PROJECTED ROLL FOLD COST

SAMPLE C-STORE

Offer: 6 \$.25-off Pack Coupons

Brand: Doral

of Households: 50,000

A. Circulation Less Undeliverables (# Households Less 5%)	47,500	47,500	47,500
B. Total # Coupons Available (# Coupons Per Mailer X A)	285,000	285,000	285,000
C. Redemption Rates (Average Rate)	(LOW) 3%	(MEDIUM) 7%	(HIGH) 12%
D. Total # Coupons Redeemed (B X C)	8,550	19,950	34,200
E. Cost Per Redemption (Value of Each Coupon)	\$0.25	\$0.25	\$0.25
F. Redemption Cost (D X E)	\$2,138	\$4,988	\$8,550
G. Production Costs (includes postage) (# Households X .38)	\$19,000	\$19,000	\$19,000
H. Total RJR Program Cost	\$11,638	\$14,488	\$18,050
I. Total Retailer Program Cost	\$9,500	\$9,500	\$9,500
H. Total Cost of Program	\$21,138	\$23,988	\$27,550

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